THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Yes, Sir.

(b) and (c) As per the advance estmates released by the Central Statistical Organisation, growth in gross domestic product (GDP) in real terms (at 1980-81 prices) at factor cost in placed at 6.8 per cent for 1996-97 compared with 7.1 per cent in 1995-96 (quick estimates). The comparative sectoral growth profile of GDP during 1995-96 is indicated below:—

Growth rates in GDP at factor cost at 1980-81 prices by sectors

	Sector	Growth rates in per cent	
		1995-96(Q)	1996-97(A)
1.	Agriculture, forestry & fishing	-0.1	3.7
2.	Mining and quarrying	7.0	1.7
3.	Manufacturing	13.6	10.6
4.	Electricity, gas and water supply	9.1	4.2
5.	Construction	5.3	4.6
6.	Trade, hotels, transport and communication	13.3	9.4
7.	Financial, real estate and business services	4.0	6.3
8.	Community, social and personal services	6.2	4.9
	Total GDP at factor cost	7.1	6.8

Q: Quick Estimate, A: Advance Estimate

Since June 1996, the pace of economic reforms has been revived to promote faster growth, Several reform measures have been undertaken in the area of industrial delicensing, infrastructure sectors, foreign investment, trade policy, capital market and financial sector.

Steps for Accelerating Economic Reforms

1083. SHRI IQBAL SINGH: Will the Minister of FINANCE be pleased to state:

(a) what steps are being taken by Government for accelerating ecnomic reforms and achieving higher growth in the country;

(b) the details thereof; and

(c) if no steps are being taken, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) to (c) The economic reforms undertaken over the last few years have put the Indian economy on a higher growth path. Growth of real gross domestic product at factor cost, which had fallen to a mere 0.8 per cent in the crisis year of 1991-92, accelerated to an average grwoth of around 7 per cent over the last three years (1994-95 to 1996-97). The Economic Survey 1996-97 presented to the Parliament a few days ago provides a comprehensive review of the ongoing economic reforms and the current state of the Indian economy.

Recommendations of Committee Concerning Company Take-overs

1084. SHRI ASHOK MITRA: Will the Minister of FINANCE be pleased to state:

(a) the details of the major recommendations of the Committee chaired by Justice P.N. Bhagwati concerning company take-overs;

(b) Government's decisions on these recommendations; and

(c) whether the Securities and Exchange Board of India proposes to review the take-overs that have taken place during the past five years and order retrospective de-merger in instances where any or all of the recommendations of the Bhagwati Committee are grievously in the breach?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) The recommendations of the Bhagwati Committee

set up by SEBI to review the take-overs regulations, inter-alia, relate to;

(i) definition of terms such as acquirer, persons acting in concert, control over the company, promoter etc.;

(ii) specific circumstances under which the regulations would be inapplicable;

(iii) consolidation of holdings by existing share holders;

(iv) creation of a graded escrow account;

(v) specific timeframe for various stage of take-overs;

(vi) system of filing instead of vetting of offer document by SEBI;

(vii) elaborate disclosure requirements; and

(viii) modifications in the post-take-over minimum shareholding to allow 100% acquisition by the acquirer.

(b) The SEBI Board has accepted the recommendations of the Committee with certain modifications.

(c) The new Regulations have been notified on 20.2.1997 and would take prospective effect. The question of reviewing past take-overs, therefore, does not arise.

Recommendations of Tenth Finance Commission Regarding Pooling of Tax Revenues

1085. SHRI ASHOK MITRA: Will the Minister of FINANCE be pleased to State:

(a) whether any decision has been reached on the recommendation of the Tenth Finance Commission to bring to a common pool tax revenues accruing to the Centre and the States;

(b) whether the proposal is to be referred to the Inter-State Council; and

(c) whether before a final decision is taken, Government intends to seek the opinion of a group of fiscal and constitutional experts in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) to (c) The views of the Government in the matter have been articulated in Finance Minister's Budget Speech on 28-2-1997. The relevant extracts (Para 57) of the speech are reproduced below:—

"57. New Devolution Formula: I have already placed in the House a discussion paper on the recommendations of the Tenth Finance Commission (TFC) on the formula to be adopted for devolution of resources from the Centre to the States. The views of the States have been received. The Standing Committee of the Inter-State Council has also considered the matter. Based on the these consultations, I propose to accept the recommendation of the TFC to form a single, divisible pool of taxes to be shared between the Centre and the States. To begin with, we shall adopt the proportion of 29% recommended by the TFC. This will be an improvement on the present share of the States. However, we are willing to discuss the matter further when we bring the constitution Amendment Bill to give effect to the decision".

Recovery of Dues from Biggest Defaulter of SBI

1086. SHRI DIPANKAR MUKHERJEE:
SHRI NILOTPAL BASU:

Will the Minister of FINANCE be pleased to state:

(a) whether the biggest individual/corporate defaulter in the country owes Rs.812 crore for the year ended 31st March, 1995, to State Bank of India;

(b) whether a suit was filed by SBI for recovery of dues from this defaulter;

(c) the present status and action plan including attachement of property etc., to recover the dues from the defaulter;

(d) whether any time frame has been set to recover the dues; and

(e) if not the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) State Bank of India (SBI) have reported that arising out of payment which the bank was required to make to National Housing Bank (NHB)/ SBI Capital Markets Ltd. in respect of irregularities in securities dealing with a broker a total amount of Rs 812.08 crores has been debited to the banks protested bills.

(b) Yes, Sir.

(c) A preliminary hearing has taken place in The Special Court. All the known assets of